

INFORMATION BULLETIN

WORKFORCE INVESTMENT ACT

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TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: TRADE ADJUSTMENT ASSISTANCE REFORM ACT OF 2002

The purpose of this information bulletin is to transmit information about the Trade Adjustment Assistance (TAA) Reform Act of 2002.

The President signed into law the TAA Reform Act of 2002 on August 6, 2002. It reauthorizes the TAA program through fiscal year 2007, and amends and adds provisions to the TAA program, many of which apply to TAA petitions received on or after November 4, 2002.

The TAA Reform Act:

- Repeals North American Free Trade Agreement (NAFTA)-TAA consolidating that program into TAA (workers certified for NAFTA-TAA under petitions received before November 4, 2002, however, will continue to receive NAFTA-TAA services for as long as their eligibility lasts.)
- Expands eligibility to more worker groups, increases existing benefits available and provides tax credits for health insurance coverage assistance.
- Allows One-Stop operators or partners and the State dislocated worker unit to petition on behalf of a group of affected workers.
- Expands the number of countries that are a party to a free trade agreement with the United States.
- Specifies that petitions trigger immediate provision of rapid response and basic adjustment services available under the Workforce Investment Act (WIA), facilitating coordinated planning and more rapid reemployment.
- Reduces by one-third (from 60 to 40 days) the time period in which the Department of Labor (DOL) must review a petition, so that workers receive benefits and services sooner.
- Requires enrollment in training by 16 weeks after separation or eight weeks after certification, but allows extension of the enrollment period under extenuating circumstances.

- Increases the national training cap to \$220 million per year.

The TAA Reform Act also provides for an Alternative TAA Program for impacted workers 50 years and older. Some workers in firms with a significant number of workers over age 50, without easily transferable skills, who find reemployment, may choose (in lieu of other TAA benefits) to receive 50 percent of the difference between their new salary and old salary for two years, up to a maximum of \$10,000 and also may receive health care assistance. Health insurance tax credits are available to three groups: 1) TAA participants eligible to receive income support; 2) eligible participants in the Alternative TAA Program; 3) Pension Benefit Guarantee recipients.

More details about the Alternative TAA and the Health Insurance Tax Credit programs will be forthcoming from Department of Labor.

The Employment Development Department's Unemployment Insurance Division (UID) administers the TAA Program in the field. The UID has released procedures for processing TAA activities. These procedures are found in Unemployment Insurance Program Notice 02-043. The EDD field office staff and the TAA trained staff must become familiar with these changes.

The new TAA Reform Act petitions are available on-line in English and Spanish are on line. The petitions can be accessed on the Internet at:

www.doleta.gov/tradeact/petitions.asp

If you have any questions regarding the TAA Reform Act, please contact your [Regional Advisor](#).

/S/ BOB HERMSMEIER
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